

# MINUTES

Regular Board Meeting  
Board of Directors

One Gateway Plaza  
3rd Floor Boardroom

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Called to Order at 9:48 a.m.

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Directors Present:

Gloria Molina, Chair  
Pam O'Connor, 1st Vice Chair  
Mike Antonovich  
Yvonne B. Burke  
John Fasana  
David Fleming  
Richard Katz  
Don Knabe  
Zev Yaroslavsky  
Doug Failing, non-voting member

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Officers

Roger Snoble, Chief Executive Officer  
Michele Jackson, Board Secretary  
Karen Gorman, Ethics Officer  
William Waters, Inspector General  
County Counsel, General Counsel



Los Angeles County  
Metropolitan Transportation Authority

**Metro**

NOTE: Members voting are reflected on the attached “RECAP OF PROCEEDINGS” matrix.

1. APPROVED **Consent Calendar** Items: 2, 5, 9, 10, 11, 17, 18, 19, 32, 33, and 34.

Items 6 and 13 were removed from Consent Calendar.

NOTED Committee Authority Item 35.

2. APPROVED ON CONSENT CALENDAR **Minutes** of Regular Board Meeting held June 22, 2006 and Special Board Meeting held June 29, 2006.

3. RECEIVED Chair’s Report.

- Chair Molina thanked her colleagues for the opportunity to serve as the Chair of the MTA Board this year.
- The MTA’s vision has outpaced its spending power. Despite efforts to plan and construct the Gold Line Eastside Extension, the Expo Line, and possibly extend the Red Line to the sea, much work remains.
- Consent Decree has played a major role in the agency’s accomplishments. Significant resources have been dedicated to upgrading the quality of the buses, as well as the system used by millions every day.
- Even though MTA has offered a wide variety of transportation options throughout the County, the budget deficit of over \$120 million continues to remain a challenge. The agency does not have enough money to operate what it has already built, and the Board will need to make some difficult choices. Chair Molina indicated that with careful planning of the budget and timely information, we’ll have the facts needed to make those critical decisions.
- Effective relationships with labor need to be maintained. Chair Molina stated that she would like to engage the Board as much as possible on many labor-related items.
- The Board needs to continue to ensure that all items are addressed in a way that is thorough, orderly, and expeditious.

- Presentation of hardhat by Director Failing: Director Failing reported that the successful partnership between L.A. County, MTA, and Caltrans in delivering projects has resulted in the agencies' achievement of the number one top delivery in the state of California for three years in a row. This year the three agencies hit 100% of all milestones. He presented Mr. Snoble and the MTA Board a Caltrans hardhat in honor of this partnership.

4. RECEIVED Chief Executive Officer's Report.

- Mr. Snoble stated that staff looks forward to working with Chair Molina this year.
- Results of a recent customer satisfaction survey of approximately 15,000 Metro bus and rail riders revealed that customer satisfaction and discretionary ridership are both at all-time highs.
- The Gold Line Eastside Extension project shows signs of significant progress. The two tunnel boring machines, nicknamed Lola and Vicki, are hard at work. Last Friday evening, Lola broke through the station at First and Soto Streets. Mr. Snoble congratulated the contractor, Eastside LRT Constructors, and MTA staff for achieving a million hours of work without a single lost time accident. Presented a video of the project.
- An agreement with LAUSD to rebuild Ramona Opportunity High School will be signed this afternoon.

5. APPROVED ON CONSENT CALENDAR:

- A. methodologies and assumptions, including all changes and adjustments, used for the **Fiscal Year (FY) 2007 Transit Fund Allocations**, as determined by staff in accordance with federal, state and local requirements, as well as Metro policies and guidelines and prior Board actions;
- B. the procedure to eliminate the two-year lag between the data year and the allocation year, for operators adding service eliminated by another operator;
- C. \$1.17 billion in FY 2007 Transit Fund Allocations for Los Angeles County jurisdictions, transit operators, and Metro Operations. These allocations include the following:

1. \$568.2 million in Transportation Development Act (TDA) Article 4, TDA interest, State Transportation Assistance (STA), STA Interest and Proposition A 40% Discretionary fund allocations;
  2. \$30.7 million in Proposition C 40% Discretionary fund allocations for the Bus Service Improvement Program, Foothill Mitigation Program, the Transit Service Expansion Program and the Base Service Restructuring Program;
  3. \$17.4 million in Proposition C 40% Discretionary fund allocations for the Municipal Operator Service Improvement Program;
  4. \$6 million in Proposition C 40% Discretionary fund allocations and administrative procedures to meet increase in operators' fuel costs;
  5. \$18.7 million in TDA Article 8 fund allocations;
  6. \$296.6 million in Proposition A and Proposition C Local Return and TDA Article 3 fund allocations;
  7. \$13.1 million in Proposition A Incentive Program fund allocations;
  8. \$30.7 million in Proposition C 5% Security fund allocations;
  9. \$183.8 million in Federal Transit Act Section 5307 Urban Formula capital fund allocations; and
  10. reprogramming \$3.9 million of 15% Capital Discretionary Section 5307 Funds;
- D. adopting a resolution designating TDA and STA fund allocation compliance to the terms and conditions of the allocation; and
- E. authorizing the Chief Executive Officer, or his designee, to negotiate and execute all necessary agreements for funding approved.

6. APPROVED AS AMENDED (SEE PARAGRAPH E):

- A. recertifying \$171.89 million in existing Fiscal Year (FY) 2006-07 commitments from previous **Call for Projects** and authorizing the expenditure of funds to meet these commitments;
- B. receiving and filing \$80.61 million worth of time extensions;
- C. deobligating \$6.29 million of previously approved Call for Projects;
- D. authorizing the administrative reprogramming of approved project funding for California Department of Transportation (Caltrans) projects as required, to meet Caltrans design and construction time frames and for the Port of Long Beach Pier B Intermodal Rail Access Yard (Project #8094), and the City of Los Angeles San Fernando Mission Blvd.: Sepulveda Blvd. to 1-5 Freeway (Project # 8064) based on special circumstances;
- E. approving a four-year extension for two House Resolution 5394 (Rogan, 2001) projects for the City of Los Angeles State Route (SR) 710 Access Road Extension from Valley Boulevard to Alhambra Road (Project #8068) and for the City of South Pasadena Fair Oaks Corridor Improvements (Project #8018); a three-year extension for Metro's Ramirez Flyover (Project #4302), and a two-year extension for the City of Santa Clarita Interstate 5/Magic Mountain Parkway (SR 126) Interchange (Project # 6363);  
  
**AMENDMENT:** Directed staff to work with the City of L.A. and Caltrans to determine project viability (SR 710 Access Road Extension from Valley Boulevard to Alhambra Road) and report back to the Board.
- F. amending the administrative authority to add the provision to allow the extension of lapsing deadlines of Metro programmed funds that match Federal High Priority or Demonstration projects;
- G. amending the FY 2006-07 budget, as necessary, to include the 2006 Call for Projects Recertification and Deobligation projects in the FY 2006-07 Regional Programs budget and Metro grantee projects in the appropriate cost center budgets; and
- H. authorizing the Chief Executive Officer or his designee to negotiate and execute all necessary agreements for approved projects.

9. APPROVED ON CONSENT CALENDAR a memorandum of understanding between Metro and the **Exposition Metro Line Construction Authority for funding of the project** through completion of the project to Santa Monica.
10. APPROVED ON CONSENT CALENDAR authorizing the Chief Executive Officer to negotiate and award **Excess Liability Insurance policies** not to exceed \$5.1 million for the 12-month period effective August 1, 2006 through July 31, 2007.
11. APPROVED ON CONSENT CALENDAR authorizing the CEO to:
  - A. award a 10-year, fixed-price Contract No. PS-5310-1807 to Hertz Claim Management (HCM) for **general liability claims administration services** for an amount not to exceed \$28,742,400, inclusive of seven one-year options, effective September 1, 2006. In addition, award a 25% incentive-based recovery fee for any liability claims expenditures recovered by Hertz; and
  - B. negotiate and amend the 10-year contract with HCM to replace the circa 1987 claims system with a new general liability claims system for a fully implemented cost not to exceed \$2,700,000 over the 10-year period of this contract.
12. AUTHORIZED the competitive sale and issuance of up to \$145 million of **Prop C refunding bonds** and APPROVED documents, including the Authorizing Resolution, Notice Inviting Bids and Notice of Intention to Sell Bonds.
13. CARRIED OVER TO AUGUST BOARD MEETING appointing UBS Securities LLC as senior managing underwriter with Morgan Stanley and Siebert Branford Shank & Co., LLC as co-managing underwriters for the **negotiated sale of forward delivery bonds**.
17. APPROVED ON CONSENT CALENDAR the **Deputy Executive Officer Rail Operations salary**.
18. APPROVED ON CONSENT CALENDAR granting authority to fill the **vacant Assistant Board Secretary position**.

19. APPROVED ON CONSENT CALENDAR adopting the following **position on State Legislation**:
- A. SB 208 (Alquist) – **SUPPORT** – Would authorize the California Transportation Commission to enter into full funding grant agreements for Traffic Congestion Relief Program projects with outstanding allocations over \$100 million.
23. **CLOSED SESSION:**
- A. Conference with Legal Counsel – Existing Litigation – G.C. 54956.9 (a):  
Stallings, et al. v. LACMTA, Case No. YC051486  
  
ACCEPTED recommended settlement in the amount of \$1,350,000 to be paid in the form of a structured settlement.
- B. Personnel Matters – G.C. 54957:  
  
Public Employee Performance Evaluation – Chief Executive Officer  
  
NO REPORT.
25. AUTHORIZED the Chief Executive Officer to award a firm fixed-unit rate Contract No. OP31201845 to Michelin North America, Inc. of Greenville, SC for **bus tire leasing and maintenance services** for an amount not to exceed \$25,229,803, including \$500,000 in estimated sales/use taxes, for a 4-year period, inclusive of a 1-year option, effective on or about September 1, 2006.
26. AUTHORIZED the Chief Executive Officer to execute contract modifications to Contract No. C0752 with W.E. O’Neil Construction Company of California for the design and construction of a **new 3-story Transportation Building at Metro’s Division 9 facility** for a contract modification authority (CMA) amount not to exceed \$750,000, allowing a potential increase to the total contract value from \$12,941,813 to \$13,691,813. The additional CMA is within the Board-approved life of project budget.

27. AUTHORIZED the Chief Executive Officer to execute a Memorandum of Understanding with the **Palos Verdes Peninsula Transit Authority for the continued operation of Line 225/226.**
32. APPROVED ON CONSENT CALENDAR MOLINA MOTION that the CEO report back to the Board with a policy that:
- 1) establishes guidelines for setting an appropriate contingency for every project;
  - 2) prohibits staff from exceeding the **life of project budget** without prior Board approval; and
  - 3) requires that when requesting an increase to the life of project budget staff provide realistic alternatives to increasing the budget.
33. APPROVED ON CONSENT CALENDAR authorizing the Chief Executive Officer to execute Contract Modification No. 40 to contract OP-02-4610-10 with Cubic Transportation Systems, Inc. (CTS) to purchase **Universal Fare System equipment for fare collection use on the Exposition Light Rail Project** for an amount not to exceed \$5.2 million, increasing the total contract value from \$110,367,010 to \$115,567,010.
34. APPROVED ON CONSENT CALENDAR MOLINA MOTION that the Board of Directors request that the CEO report back within 60 days with a policy that would require staff to verify that any **landfill or recycling facility used by Metro or one of its contractors** has all necessary and valid permits in place.
35. APPROVED UNDER CONSTRUCTION COMMITTEE AUTHORITY Contract Modification Authority to Contract No. C0739, **Canoga Station/Park and Ride**, with Sulley-Miller Contracting Company to provide funding for pending changes that are within the Board-delegated authority, in the amount of \$600,000.
36. APPROVED the following nominee for membership on the **San Gabriel Valley Service Sector Governance Council:**

Joseph M. Mosca – New appointment

Appointed by: Pasadena, Sierra Madre and La Canada Flintridge City Cluster

Term ending: June 2009



37. AUTHORIZED the Chief Executive Officer to:
- A. execute a successor collective bargaining agreement with the United Transportation Union, effective July 1, 2006;
  - B. execute a successor collective bargaining agreement with the Amalgamated Transit Union Local 1277, effective July 1, 2006;
  - C. execute a successor collective bargaining agreement with the Transportation Clerks Union, effective July 1, 2006;
  - D. increase the labor budget for non-contract employees from 2% to 3% to provide for salary increases commensurate to the rates negotiated in the collective bargaining agreements for union employees; and
  - E. amend the FY07 budget in the amount of \$13.948 million for the implementation of the wage and benefit changes for the **approval of the final collective bargaining agreements and for the increase in salaries for non-contract employees.**

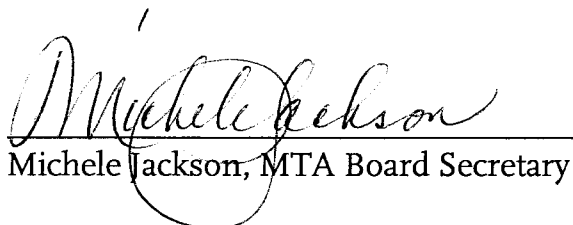
38. APPROVED BY A 2/3 VOTE OF THE BOARD:

- A. holding a public hearing on the proposed resolution of necessity; and
- B. adopting the **Resolution of Necessity authorizing the commencement of an eminent domain action to acquire fee simple title to Parcel WE-616 for the Metro Exposition Light Rail Project.**

RECEIVED public comment.

ADJOURNED at 11:45 a.m.

Prepared by: Michele Chau  
Recording Secretary

  
Michele Jackson, MTA Board Secretary

**RECAP OF PROCEEDINGS**  
**LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY**  
**REGULAR BOARD MEETING**  
**THURSDAY, JULY 27, 2006**

DIRECTORS VOTING

| ATTENDANCE<br>ITEM<br>NO. | SUBJECT ITEM  | ACTION TAKEN                    | DIRECTORS VOTING |           |        |         |       |              |                |          |             |      |       |       |          |         |
|---------------------------|---|---------------------------------|------------------|-----------|--------|---------|-------|--------------|----------------|----------|-------------|------|-------|-------|----------|---------|
|                           |   |                                 | P                | A         | P      | P       | P     | P            | P              | P        | P           | A    | P     |       |          |         |
|                           |   |                                 | ANTONOVICH       | LOWENTHAL | FASANA | FLEMING | BURKE | VILLARAIGOSA | MOLINA (CHAIR) | O'CONNOR | YAROSLAVSKY | KATZ | KNABE | PARKS | NAJARIAN | FAILING |
| 1                         | APPROVE CONSENT CALENDAR ITEMS:<br>2, 5, 10, 11, 17, 18, 19, 32, 33, AND 34.<br>ITEMS 6 AND 13 WERE REMOVED FROM<br>CONSENT CALENDAR. | APPROVED                        | Y                | A         | Y      | Y       | Y     | A            | Y              | Y        | Y           | Y    | Y     | A     | A        |         |
|                           | NOTE COMMITTEE AUTHORITY ITEM<br>35.  | NOTED                           |                  |           |        |         |       |              |                |          |             |      |       |       |          |         |
| 2                         | APPROVE MINUTES OF REGULAR<br>BOARD MEETING HELD JUNE 22, 2006<br>AND SPECIAL BOARD MEETING HELD<br>JUNE 29, 2006.                    | APPROVED ON CONSENT<br>CALENDAR |                  |           |        |         |       |              |                |          |             |      |       |       |          |         |

**RECAP OF PROCEEDINGS**  
**LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY**  
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|----------|---|--------------|--------------------------------|------------------|-----------|--------|---------|-------|--------------|----------------|----------|-------------|------|-------|-------|----------|---------|--|
|          |   |              |                                | ANTONOVICH       | LOWENTHAL | FASANA | FLEMING | BURKE | VILLARAIGOSA | MOLINA (CHAIR) | O'CONNOR | YAROSLAVSKY | KATZ | KNABE | PARKS | NA/ARIAN | FAILING |  |
| 3        | CHAIR'S REPORT<br>Ø PRESENTATION OF HARDHAT BY DIRECTOR FAILING |              | RECEIVED;<br>PRESENTED HARDHAT | P                | A         | P      | P       | P     | P            | A              | P        | P           | P    | P     | P     | A        |         |  |
| 4        | CHIEF EXECUTIVE OFFICER'S REPORT                                |              | RECEIVED                       | P                | A         | P      | P       | P     | P            | A              | P        | P           | P    | P     | P     | A        | A       |  |

